SECRET CONTROL U. S. OFFICIALS ONLY

CENTRAL INTELLIGENCE GROUP

INTELLIGENCE REPORT

China COUNTRY

CONFIDENTIAL DATE:

25X1A

SUBJECT

25X1A

Pelitical Infermation This Hochment is hereby regrated to Third Party in North CONFIDENTIAL in accordance with the tiler of 16 Colorer 1873 from the PAGES n a ni larei ganna a lise a ni Cialer.

DIST. A August 1947

ORIGIN 25X1X

SUPPLEMENT

1. At a dinner given for Americans and Chinese by the Political Section of SUN Lien-chung's 11 War Area Hqs. in Pelping, Chinese efficers said they anticipated that the Communists would be in centrel of North China in a matter of two or three menths. One Chinese efficer said he was werried as to what to do for the safety of his wife and family in Peiping. He said that rather than send them south, he was thinking of sending them aver to the Communists now.

2. The Chinese officers made suggestions which indicated the possible sreation of a third political party in North China, which would be able to bargain with both sides.

(American Observer Comment: The suggestion of a "third party" / That is an autonemous government/ in North China may be another carefully timed rumer spensored by the Nationalists in the hope of stampoding American spinion, similar to the build-up of the Sinkiang incident. However, there are historical precedents for a separatist movement in North China; in fact, one of Chiang Kai-shek's early and urgent tasks was the climination of autonomous "war lords" in the North China area. Therefore, now that the Generalissimo's prestigs is waning, the possibility of the recrudescence of "war lerd" rule in North China cannot be excluded.

The pessibility that the Communists would honor any agreement which might be reached with such an autonomous government is remote; however, this would not necessarily dater an autonomous government from attempting to reach an agreement with them in time-homored Chinese tradition.)

Document No. Auth: 0/3

This document contains information affecting the national defense of the United States within the meaning of the Espionage Act, 50, U.S.C. 31 and 32 as amended. Its transmission or the revelation of its contents in any manner to an unauthorized person is problibited by law.

SECRET CONTROL CLASSIFICATION CONFIDENTIAL

U.S.OFFICIALS ONLY